

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2006**

	January-06				December-05				September-05				Current Fiscal YTD	Prior Year FY05	3 Years Ended 6/30/2005	5 Years Ended 6/30/2005
	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Net ROR	Net ROR	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																
<i>Structured Growth</i>																
LA Capital	2,264,044	5.1%	5.1%	4.37%	2,190,500	5.2%	5.1%	3.42%	2,197,481	5.3%	5.1%	5.64%	14.02%	8.17%	N/A	N/A
<b>Total Structured Growth</b>	<b>2,264,044</b>	<b>5.1%</b>	<b>5.1%</b>	<b>4.37%</b>	<b>2,190,500</b>	<b>5.2%</b>	<b>5.1%</b>	<b>3.42%</b>	<b>2,197,481</b>	<b>5.3%</b>	<b>5.1%</b>	<b>5.64%</b>	<b>14.02%</b>	<b>8.17%</b>	<b>8.30%</b>	<b>-8.29%</b>
<i>Russell 1000 Growth</i>				1.76%				2.98%				4.01%	8.99%	1.67%	7.25%	-10.36%
<i>Structured Value</i>																
LSV	2,303,659	5.2%	5.1%	4.72%	2,221,117	5.3%	5.1%	2.42%	2,183,339	5.3%	5.1%	4.82%	12.42%	18.24%	14.45%	14.70%
<i>Russell 1000 Value</i>				3.88%				1.27%				3.88%	9.28%	14.06%	11.00%	5.27%
<i>Enhanced Russell 1000 Index</i>																
LA Capital	3,063,352	6.9%	6.9%	4.54%	2,959,119	7.0%	6.9%	2.69%	2,949,694	7.1%	6.9%	6.85%	14.70%	7.39%	8.78%	N/A
<i>Russell 1000</i>				2.80%				2.12%				3.95%	9.13%	7.92%	9.19%	N/A
<i>Enhanced S&amp;P 500 Index</i>																
Northern Trust	2,970,104	6.7%	6.9%	2.28%	2,933,322	6.9%	6.9%	2.57%	2,875,844	6.9%	6.9%	3.81%	8.91%	6.02%	8.16%	N/A
Westridge	2,985,017	6.8%	6.9%	2.68%	2,935,482	6.9%	6.9%	2.10%	2,869,302	6.9%	6.9%	3.65%	8.65%	6.66%	8.57%	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>5,955,121</b>	<b>13.5%</b>	<b>13.7%</b>	<b>2.48%</b>	<b>5,868,803</b>	<b>13.9%</b>	<b>13.7%</b>	<b>2.33%</b>	<b>5,745,146</b>	<b>13.8%</b>	<b>13.7%</b>	<b>3.73%</b>	<b>8.78%</b>	<b>6.26%</b>	<b>8.87%</b>	<b>N/A</b>
<i>S&amp;P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	8.28%	N/A
<i>S&amp;P 500 Index</i>																
State Street	1,496,538	3.4%	3.4%	2.65%	1,472,396	3.5%	3.4%	2.07%	1,439,516	3.5%	3.4%	3.61%	8.56%	6.34%	8.30%	-2.34%
<i>S&amp;P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	8.28%	-2.37%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>15,082,715</b>	<b>34.2%</b>	<b>34.3%</b>	<b>3.53%</b>	<b>14,711,936</b>	<b>34.8%</b>	<b>34.3%</b>	<b>2.55%</b>	<b>14,515,177</b>	<b>34.9%</b>	<b>34.3%</b>	<b>4.78%</b>	<b>11.25%</b>	<b>8.65%</b>	<b>9.54%</b>	<b>-0.74%</b>
<i>S&amp;P 500</i>				2.65%				2.09%				3.60%	8.57%	6.32%	8.28%	-2.37%
<b>SMALL CAP DOMESTIC EQUITY</b>																
<i>Manager-of-Managers</i>																
SEI	5,050,366	11.5%	10.7%	9.05%	4,630,572	11.0%	10.7%	0.97%	4,580,471	11.0%	10.7%	5.48%	16.13%	9.36%	13.65%	N/A
<i>Russell 2000 + 200bp</i>				9.13%				1.64%				5.21%	16.70%	11.64%	15.07%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>5,050,366</b>	<b>11.5%</b>	<b>10.7%</b>	<b>9.05%</b>	<b>4,630,572</b>	<b>11.0%</b>	<b>10.7%</b>	<b>0.97%</b>	<b>4,580,471</b>	<b>11.0%</b>	<b>10.7%</b>	<b>5.48%</b>	<b>16.13%</b>	<b>9.36%</b>	<b>13.65%</b>	<b>5.64%</b>
<i>Russell 2000</i>				8.97%				1.13%				4.69%	15.37%	9.45%	12.81%	5.71%
<b>INTERNATIONAL EQUITY</b>																
<i>Large Cap - Core</i>																
State Street	144,906	0.3%	0.3%	6.53%	136,000	0.3%	0.3%	4.44%	136,195	0.3%	0.3%	10.65%	23.11%	7.68%	7.31%	-2.19%
<i>MSCI EAFE (1)</i>				6.14%				4.08%				10.38%	21.94%	9.59%	7.29%	-2.85%
<i>Large Cap - Active</i>																
Capital Guardian	434,737	1.0%	0.9%	4.91%	413,833	1.0%	0.9%	9.43%	407,620	1.0%	0.9%	11.82%	28.38%	11.23%	7.35%	-3.02%
LSV	426,717	1.0%	0.9%	5.90%	402,975	1.0%	0.9%	4.29%	405,624	1.0%	0.9%	11.55%	23.19%	N/A	N/A	N/A
Bank of Ireland	143,398	0.3%	0.3%	6.78%	134,409	0.3%	0.3%	3.28%	131,150	0.3%	0.3%	6.99%	17.99%	12.20%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>1,004,852</b>	<b>2.3%</b>	<b>2.1%</b>	<b>5.59%</b>	<b>951,217</b>	<b>2.3%</b>	<b>2.1%</b>	<b>6.36%</b>	<b>944,394</b>	<b>2.3%</b>	<b>2.1%</b>	<b>11.02%</b>	<b>24.69%</b>	<b>13.74%</b>	<b>8.14%</b>	<b>-2.37%</b>
<i>MSCI EAFE - 50% Hedged</i>				4.98%				5.84%				11.07%	23.41%	14.41%	8.84%	-2.01%
<i>Small Cap - Active</i>																
Lazard	143,700	0.3%	0.3%	7.14%	134,012	0.3%	0.3%	2.89%	134,246	0.3%	0.3%	9.65%	20.86%	19.82%	N/A	N/A
Wellington	147,987	0.3%	0.3%	6.73%	138,623	0.3%	0.3%	5.95%	131,822	0.3%	0.3%	8.08%	22.22%	12.00%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>291,687</b>	<b>0.7%</b>	<b>0.6%</b>	<b>6.93%</b>	<b>272,635</b>	<b>0.6%</b>	<b>0.6%</b>	<b>4.41%</b>	<b>266,068</b>	<b>0.6%</b>	<b>0.6%</b>	<b>8.88%</b>	<b>21.56%</b>	<b>15.90%</b>	<b>N/A</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				6.20%				8.94%				12.05%	29.63%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,441,445</b>	<b>3.3%</b>	<b>3.0%</b>	<b>5.95%</b>	<b>1,359,852</b>	<b>3.2%</b>	<b>3.0%</b>	<b>5.77%</b>	<b>1,346,657</b>	<b>3.2%</b>	<b>3.0%</b>	<b>10.56%</b>	<b>23.90%</b>	<b>13.12%</b>	<b>10.28%</b>	<b>-0.51%</b>
<i>MSCI EAFE - 50% Hedged</i>				4.98%				5.84%				11.07%	23.41%	14.41%	8.84%	-2.01%
<b>EMERGING MARKETS EQUITY</b>																
<i>Core</i>																
Capital Guardian	139,319	0.3%	0.5%	11.11%	125,393	0.3%	0.5%	9.92%	534,210	1.3%	1.1%	16.25%	41.99%	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	126,334	0.3%	0.3%	15.32%	109,555	0.3%	0.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
JP Morgan	126,043	0.3%	0.3%	13.09%	111,380	0.3%	0.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	236,977	0.5%	0.5%	11.29%	212,761	0.5%	0.5%	7.63%	185,941	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
<b>Total Core</b>	<b>628,672</b>	<b>1.4%</b>	<b>1.5%</b>	<b>12.40%</b>	<b>559,089</b>	<b>1.3%</b>	<b>1.5%</b>	<b>8.68%</b>	<b>720,152</b>	<b>1.7%</b>	<b>1.5%</b>	<b>17.05%</b>	<b>42.98%</b>	<b>33.94%</b>	<b>22.44%</b>	<b>4.12%</b>
<i>MSCI Emerging Markets</i>				11.23%				7.20%				18.11%	40.84%	34.89%	24.42%	7.64%
<i>Small Cap</i>																
DFA	140,831	0.3%	0.3%	9.59%	128,432	0.3%	0.3%	8.16%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				11.23%				7.20%								
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>769,504</b>	<b>1.7%</b>	<b>1.5%</b>	<b>11.87%</b>	<b>687,521</b>	<b>1.6%</b>	<b>1.5%</b>	<b>8.22%</b>	<b>720,152</b>	<b>1.7%</b>	<b>1.5%</b>	<b>17.05%</b>	<b>41.71%</b>	<b>33.94%</b>	<b>22.44%</b>	<b>4.12%</b>
<i>MSCI Emerging Markets</i>				11.23%				7.20%				18.11%	40.84%	34.89%	24.42%	7.64%
<b>DOMESTIC FIXED INCOME</b>																
<i>Core Bond</i>																
Western Asset	1,789,544	4.1%	3.9%	0.40%	1,782,426	4.2%	4.2%	0.24%	1,580,068	3.8%	4.0%	-0.48%	0.15%	7.25%	7.46%	8.91%
<i>Lehman Aggregate</i>				0.01%				0.59%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>																
Bank of ND	3,632,006	8.2%	10.0%	-0.20%	3,639,093	8.6%	10.0%	0.64%	3,248,692	7.8%	8.8%	-0.93%	-0.50%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	508,143	1.2%	1.2%	1.28%	N/A	5.08%	5.33%	5.53%
<b>Total Index</b>	<b>3,632,006</b>	<b>8.2%</b>	<b>10.0%</b>	<b>-0.20%</b>	<b>3,639,093</b>	<b>8.6%</b>	<b>10.0%</b>	<b>0.83%</b>	<b>3,756,835</b>	<b>9.0%</b>	<b>10.0%</b>	<b>-0.43%</b>	<b>0.19%</b>	<b>6.91%</b>	<b>5.88%</b>	<b>7.41%</b>
<i>Lehman Gov/Credit</i>				-0.18%				0.60%				-0.96%	-0.55%	7.26%	6.41%	7.70%
<i>Convertibles</i>																
TCW	1,854,439	4.2%	4.0%	3.55%	1,789,948	4.2%	4.2%	1.16%	1,599,139	3.8%	3.9%	2.95%	7.83%	-0.23%	8.73%	-2.63%
<i>Merrill Lynch All Convertibles</i>				4.12%				0.46%				4.15%	8.94%	0.66%	9.94%	0.50%

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	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Net ROR	Net ROR	Net	Net
<b>BBB Average Quality</b>																
<b>Wells Capital</b>	1,776,041	4.0%	3.9%	-0.01%	1,775,731	4.2%	4.2%	0.56%	1,558,632	3.8%	4.0%	-1.65%	-1.11%	12.04%	9.22%	8.81%
Lehman BBB				-0.13%				0.39%				-0.97%	-0.72%	8.60%	9.16%	7.86%
<b>Private Debt</b>																
<b>Prudential</b>	1,782,885	4.0%	4.0%	-0.09%	1,785,162	4.2%	4.2%	0.82%	1,547,831	3.7%	3.7%	-0.27%	0.45%	N/A	N/A	N/A
Lehman Aggregate				0.01%				0.59%				-0.08%	-0.08%	N/A	N/A	N/A
<b>Timberland</b>																
RMK	1,595,350	3.6%	3.6%	5.56%	1,510,168	3.6%	3.6%	-6.09%	1,691,648	4.1%	4.1%	-0.24%	-1.10%	14.50%	12.47%	N/A
TIR	4,619,458	10.5%	10.5%	13.19%	4,080,110	9.7%	9.7%	3.19%	4,252,495	10.2%	10.2%	-0.09%	16.69%	N/A	N/A	N/A
<b>Total Timberland</b>	6,214,808	14.1%	14.1%	11.13%	5,590,278	13.2%	13.2%	0.55%	5,944,143	14.3%	14.3%	-0.13%	11.59%	44.29%	21.48%	N/A
NCREIF Timberland Index				0.00%									13.04%	14.07%	7.31%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	17,049,722	38.7%	40.0%	4.18%	16,362,637	38.7%	40.0%	0.68%	15,986,648	38.5%	40.0%	-0.19%	4.69%	19.23%	11.83%	8.92%
Lehman Aggregate				0.01%				0.59%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<b>HIGH YIELD BONDS</b>																
<b>Loomis Sayles</b>	751,331	1.7%	1.8%	2.25%	736,952	1.7%	1.8%	1.36%	730,191	1.8%	1.8%	1.24%	4.92%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				1.19%				0.80%				0.99%	3.01%	10.83%	N/A	N/A
<b>Sutter/Wells Capital</b>	741,591	1.7%	1.8%	1.32%	732,625	1.7%	1.8%	1.38%	719,462	1.7%	1.8%	0.31%	3.03%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				1.19%				0.80%				0.99%	3.01%	10.63%	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	1,492,922	3.4%	3.5%	1.78%	1,469,577	3.5%	3.5%	1.37%	1,449,653	3.5%	3.5%	0.77%	3.98%	12.76%	13.38%	5.52%
Lehman High Yield Bond Index				1.19%				0.80%				0.99%	3.01%	10.86%	14.51%	7.47%
<b>INTERNATIONAL FIXED INCOME</b>																
<b>International Sovereign</b>																
<b>UBS Global (Brinson)</b>	373,556	0.8%	1.0%	1.54%	367,776	0.9%	1.0%	-2.54%	377,538	0.9%	1.0%	-1.08%	-2.12%	7.92%	11.22%	8.24%
Citigroup Non-US Gov't Bond Index (2)				1.72%				-2.61%				-1.24%	-2.16%	7.75%	10.98%	7.92%
<b>International Core</b>																
<b>Brandywine</b>	389,581	0.9%	1.0%	1.87%	383,044	0.9%	1.0%	-0.22%	383,667	0.9%	1.0%	0.80%	2.47%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				2.08%				-2.39%				-0.86%	-1.21%	8.10%	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	763,136	1.7%	2.0%	1.71%	750,820	1.8%	2.0%	-1.36%	761,205	1.8%	2.0%	-0.15%	0.17%	9.84%	12.08%	8.74%
Citigroup Non-US Gov't Bond Index (2)				1.72%				-2.61%				-1.24%	-2.16%	7.75%	10.98%	7.92%
<b>REAL ESTATE</b>																
<b>INVESCO</b>	654,779	1.5%	1.5%	-0.09%	654,945	1.5%	1.5%	1.73%	644,857	1.6%	1.5%	7.19%	8.94%	N/A	N/A	N/A
J.P. Morgan	716,966	1.6%	1.5%	1.20%	670,504	1.6%	1.5%	4.94%	638,969	1.5%	1.5%	6.33%	12.92%	19.52%	12.70%	10.44%
<b>TOTAL REAL ESTATE</b>	1,371,745	3.1%	3.0%	0.56%	1,325,450	3.1%	3.0%	3.33%	1,283,826	3.1%	3.0%	6.76%	10.94%	19.52%	12.70%	10.44%
NCREIF TOTAL INDEX				1.78%				5.43%				4.44%	12.07%	18.02%	12.07%	10.81%
<b>ALTERNATIVE INVESTMENTS</b>																
Coral Partners V	23,743			0.00%	24,206			1.43%	25,142			0.01%	1.44%	-18.97%	-24.36%	-22.64%
Coral Partners V - Supplemental	2,831			0.00%	2,886			-1.04%	3,072			-7.36%	-8.32%	-6.85%	-4.52%	N/A
Coral Partners VI	34,871			0.00%	28,946			2.13%	24,640			-1.55%	0.55%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	7,356			0.00%	7,500			3.50%	7,633			3.17%	6.78%	19.64%	3.73%	-1.83%
Brinson 1999 Partnership Fund	12,373			0.00%	12,615			0.64%	14,894			2.44%	3.10%	9.31%	1.61%	-4.71%
Brinson 2000 Partnership Fund	29,197			0.00%	29,767			3.70%	30,388			6.45%	10.39%	14.97%	3.21%	-0.80%
Brinson 2001 Partnership Fund	19,608			0.00%	19,991			2.53%	17,963			3.91%	6.53%	4.00%	1.40%	N/A
Brinson 2002 Partnership Fund	10,806			0.00%	11,017			3.38%	11,227			3.47%	6.97%	-4.22%	6.13%	N/A
Brinson 2003 Partnership Fund	2,661			0.00%	2,713			5.26%	2,234			7.59%	13.25%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	6,229			0.00%	6,350			-1.05%	6,761			-5.55%	-6.54%	32.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	9,343			0.00%	9,525			9.33%	9,336			-0.69%	6.74%	15.57%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	8,276			0.00%	8,437			3.98%	10,238			9.11%	13.45%	9.19%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	14,297			0.00%	14,576			15.23%	12,138			-0.04%	15.18%	12.60%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	7,044			0.00%	7,182			12.34%	6,735			0.61%	13.03%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	2,643			0.00%	2,694			9.37%	1,761			4.09%	13.84%	0.42%	N/A	N/A
Brinson BVCF IV	42,180			0.00%	42,100			8.77%	40,777			10.29%	19.96%	6.06%	3.14%	-7.20%
Matlin Patterson Global Opportunities	38,429			0.00%	39,179			-1.36%	43,089			-8.79%	-10.03%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	32,762			0.00%	34,956			0.00%	36,845			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	10,902			0.00%	11,114			0.00%	11,709			0.00%	0.00%	-18.88%	-13.16%	N/A
Hearthstone MSII	0			0.00%	0			0.00%	1,850			0.00%	0.00%	1214.92%	179.43%	90.03%
Hearthstone MSIII	22,551			0.00%	22,991			7.40%	33,669			4.53%	12.27%	16.51%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (3)</b>	338,102	0.8%	1.0%	0.00%	338,745	0.8%	1.0%	3.62%	352,099	0.8%	1.0%	1.64%	5.32%	17.54%	3.01%	-3.42%
<b>CASH EQUIVALENTS</b>																
<b>Northern Trust STIF/STEP</b>	748,280	1.7%	1.0%	0.43%	634,912	1.5%	1.0%	0.85%	553,273	1.3%	1.0%	0.89%	2.19%	2.19%	1.82%	2.72%
90 Day T-Bill				0.32%				0.92%				0.83%	2.08%	2.15%	1.55%	2.62%
<b>TOTAL FUND</b>	44,107,936	100.0%	100.0%	4.34%	42,272,023	100.0%	100.0%	1.70%	41,549,160	100.0%	100.0%	3.01%	9.31%	13.81%	11.53%	4.95%
<b>POLICY TARGET BENCHMARK</b>				2.29%				1.48%				2.18%	6.07%	8.15%	8.59%	3.87%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.